

AGREEMENT

This Agreement, effective _____, 1986 is between the Pueblo of Laguna, an Indian Tribe organized pursuant to the Act of June 18, 1934, Ch. 216, (48 Stat. 984), residing on the Laguna Indian Reservation in New Mexico, (The Pueblo), Anaconda Minerals Company, a unit of Arco Coal Company, a division of Atlantic Richfield company, a Delaware corporation (Anaconda), and the United States of America, acting through the Department of Interior.

WHEREAS, the parties have entered into various mining leases since 1952, which have since expired, and mining has taken place under said leases on the Laguna Indian Reservation; and

WHEREAS, commercial mining activities have ceased, and the parties desire to enter into an Agreement to establish a final and binding legal basis for reclamation of the Jackpile-Paguate Mine Site (Mine) located on lands of the Pueblo.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. In consideration for the actions by the Pueblo promised in this Agreement, Anaconda will:

(a) After execution of this Agreement by all of the Parties, pay to the Pueblo Forty-three Million, Six Hundred Thousand Dollars (\$43,600,000), in five (5) equal cash payments, with the first payment being due and payable within ten (10) days of the effective date of this Agreement, and the final four (4) payments being due and payable on consecutive anniversary dates of the Agreement. Said payments shall be used for reclamation and related

purposes as are mutually agreed to between the Pueblo and the United States.

(b) Within thirty (30) days of the execution of this Agreement, donate to the Pueblo in an "as is" condition all structures and facilities presently at the Mine, including but not limited to the railroad spur, fences and water, sewage, and power systems for support services to these structures and facilities. Anaconda and the Pueblo have jointly inspected and inventoried these structures, and are fully aware of the condition of such structures and facilities. The Pueblo, with the concurrence of the United States, agrees to accept and assume responsibility for all such structures and facilities in such condition.

2. In consideration for the actions by Anaconda promised in this Agreement, the Pueblo with the concurrence of the United States will:

(a) Assume full and complete responsibility and liability under all current or future applicable laws, including any obligations imposed by Anaconda's leases with the Pueblo, for:

(i) the cleanup, reclamation or other environmental remedial action at the Mine; and

(ii) conducting all other related and necessary activities in a manner acceptable to, or required by governmental agencies with jurisdiction over reclamation and other related environmental programs, and which is otherwise consistent and in compliance

with all applicable environmental laws and regulations;
and

(iii) obtaining requisite approval for such activities from the appropriate governmental authorities.

(b) Indemnify and hold Anaconda harmless from, and reimburse Anaconda and its officers, directors or agents for any amounts paid or expenses incurred, including attorneys' fees and expenses, because of any claim, liability or obligation

(i) related to cleanup and reclamation of the Mine, or
(ii) asserted under any applicable law or regulation, and relating to the Pueblo's obligation hereunder, including without limitation effects due to the generation, treatment, storage or disposal of hazardous substances or wastes, or toxic materials, or related activities, by Anaconda on Pueblo lands including, but not limited to, any liability or obligation which exists or arises under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and the Resource Conservation and Recovery Act (RCRA).

(c) Release Anaconda from any and all claims by the United States or the Pueblo for damages to the Pueblo's natural resources, or recovery for the costs of cleanup and reclamation under CERCLA or other applicable law, including damages caused by blasting at the Mine.

Neither the Pueblo nor the United States shall, as a result of this Paragraph 2, incur any additional liability or responsibility for claims for bodily injury, illness or death of persons or for loss or destruction of or damage to personal property arising from Anaconda's activities at the Mine prior to the effective date of this Agreement.

3.(a) Anaconda represents that:

(i) Atlantic Richfield Company is a corporation duly incorporated in the State of Delaware and has full corporate power to execute this Agreement and perform the obligations contained herein on behalf of itself and Anaconda.

(ii) To the best of its knowledge and belief there are no materials at the Mine that are presently classified by federal laws as either hazardous substances or wastes, or toxic materials.

(b) The Pueblo represents that it is organized under the Indian Reorganization Act of 1934, and has full power under its Revised Constitution to perform its obligations under this Agreement, all necessary action by the Tribal Council having been taken. The persons executing this Agreement on behalf of the Pueblo are vested with the power and authority to bind the Pueblo.

(c) The United States represents that the Secretary of the Interior is vested with full power and authority under the Laws of the United States of America to execute this Agreement and perform its obligations hereunder.

4. During the sixty (60) day period following the execution of this Agreement, Anaconda agrees to provide to the Pueblo all information developed by Anaconda or its consultants including but not limited to: (a) mining plans, resource information and other data relating to the Mine, and (b) all technical and engineering reports, studies or documents relating to the reclamation project. Anaconda does not warrant the accuracy of such data and shall not be liable for any claim by the Pueblo arising from the Pueblo's reliance on such data.

5. The United States and the Pueblo agree that any residual damage to resources remaining after reclamation have been and are specifically identified as an irretrievable commitment of natural resources in the Environmental Impact Statement which has been prepared on this project, and will be so recognized and authorized by the Department of Interior in its approval of any reclamation plan.

6. The obligations of Anaconda under this Agreement are guaranteed by Atlantic Richfield Company, a Delaware corporation.

7. The date that the last of the three Parties executes this Agreement shall be its effective date.

8. The Agreement represents the entire agreement of the Parties and no amendment hereof shall be valid unless reduced to writing and signed by all Parties hereto.

Attest:

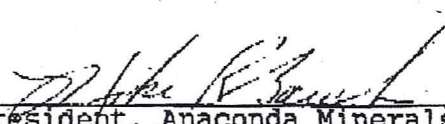
Paula Ceballos
Secretary

Date:

4/8/86

Chester J. Fernandez
Governor, Pueblo of Laguna

COPY



President, Anaconda Minerals Company
Senior Vice President,
Atlantic Richfield Company

Attest 

Assistant Secretary

Date: 7/3/86

Secretary
United States Department of
the Interior

Date: _____